

5/023/057



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, Utah 84631



In Reply Refer to:
3800
(U-010)
UTU-070641

January 5, 2004

CERTIFIED MAIL #7002 3150 0004 1699 4407
RETURN RECEIPT REQUESTED

SANDRA AND MIKE SPRUNGER
PO BOX 38054
LEAMINGTON UT 84638

Dear Mr. & Mrs. Sprunger:

Thank you for your letter of November 17, 2003, regarding the reclamation cost estimate (RCE) for your Cubical operation. Your letter expressed your intent not to enlarge the pit any further. However, the reclamation cost estimate we sent to you on November 10, 2003 was calculated for the site as it currently exists.

The amended 43 CFR 3809 which required that financial guarantees be submitted for mining activities authorized by said regulations require that the RCE be calculated "as if BLM were to contract with a third party to reclaim your operations." The reclamation cost estimate sent to you on November 10, 2003, is what we anticipate a third party contractor would charge us to do the work, along with the standard administrative fees for the contract administration. However, since we do not have to obtain bids for projects less than \$2500.00, we will remove some of the administrative costs for the RCE, and reduce the amount to \$1325.00.

If you have any questions, please feel free to contact Sheri Wysong at (435) 743-3124.

Sincerely,

Glen Nebeker
Acting Field Office Manager

Enclosure
Reclamation cost Estimate

cc Tom Munson, UDOGM (S/023/057)
(w/ copy of RCE)

RECEIVED

JAN 07 2004

DIV. OF OIL, GAS & MINING

**Reclamation Cost Model
For Existing Notice Level Operations**

	Acres		Cost/Acre	
Light		Recontouring Cost		\$0.00
Moderate		Recontouring Cost		\$247.50
Heavy		Recontouring Cost		\$0.00
Roads with the side Slope,				
	Linear Feet		Cost/Linear Foot	
<30%		Recontouring Cost		\$0.00
>30%		Recontouring Cost		\$0.00
Areas of non-road disturbance where the use of dozer wouldn't be adequate.				
	Acres		Cost /Acre	
<30%		Recontouring Cost		\$0.00
>30%		Recontouring Cost		\$0.00
	Acres		Cost/Acre	
Non-Road disturbances with machine spreader		Revegetation Cost		\$0.00
Non-Road disturbances with manual spreading		Revegetation Cost		\$37.50
	Linear Feet		Cost/Linear Foot	
Road disturbances with machine spreader		Revegetation Cost		\$0.00
Road disturbances with manual spreader		Revegetation Cost		\$0.00
	No. Pieces of equipment		Cost/Piece	
		Mobilization Cost		\$750.00
Total Labor Cost	\$339.88	Total Reclamation Cost		\$1,035.00
Contractors Profit				10% Rec. Cost
Contract Administratio				18% Rec. Cost
Contingency				10% Rec. Cost
Indirect Cost Rate				17.8% Rec. Cost
Engineering/Design				2% Rec. Cost
*Insurance				1.5% Labor Cost
*Bond Maintenance				3% Rec. Cost
* Only Administered if Estimated Contract Costs over \$100,000.				
Total Administration Cos				\$289.80
Bond Amount				\$1,324.80